



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 5, 2012

Certified Return Receipt
7011 0110 0001 3568 3407

U. S. Bank National Association
Standby Letters of Credit
800 Nicollet Mall BC-MN-H20G
Minneapolis, Minnesota 55402

Subject: Non-Renewal of Letter of Credit ; TME Asphalt Ridge LLC, TME Asphalt
Ridge #1 Mine, M/047/0089, Uintah County, Utah

Dear Sir or Madame:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated June 1, 2012, regarding non-renewal of Letter of Credit # [redacted] in the amount of \$1,151,713.00. The mine operator, TME Asphalt Ridge LLC, has been advised that a replacement surety must be provided by August 3, 2012. If a replacement surety is not provided by that date, the Division will immediately submit to you its sight draft for the full face value of the letter of credit. The Division anticipates that payment of \$1,151,713.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety for The School and Institutional Trust Lands Administration and itself to be used for reclamation of the TME Asphalt Ridge #1 mine pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

The Division is proceeding as if the operator will not fulfill this bonding requirement and the Division will have to move forward with the presentation of the sight draft. Please advise if you have any questions and let me know in writing if this procedure is not acceptable.

Thank you. If you have any questions, please feel free to call me at (801) 538-5261.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure US Bank Non-renewal letter and Sight Draft

Cc: Lenny Boteilho, Ames Construction

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